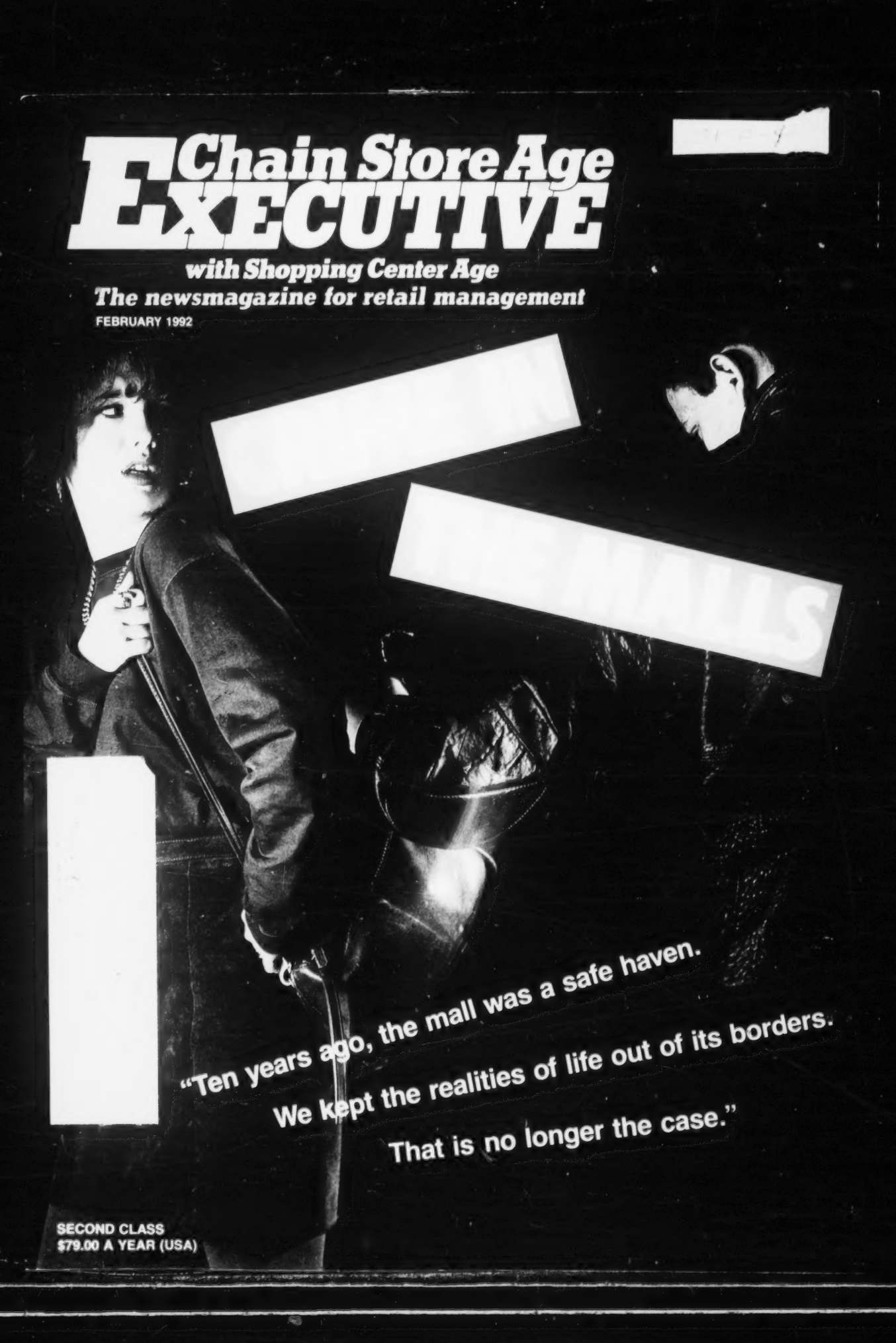
Chain Store Age EXECUTIVE

with Shopping Center Age

The newsmagazine for retail management

FEBRUARY 1992



"Ten years ago, the mall was a safe haven.

We kept the realities of life out of its borders.

That is no longer the case."

SECOND CLASS
$79.00 A YEAR (USA)

CONTENTS

DORIAN'S KEEPS SHOPPERS IN MEXICO

Tijuana, Mexico-based Dorian's is stepping up efforts to stem the tide of border crossings and convince more Mexicans to do their shopping locally. 23

SHOPPING CENTER AGE

Cover Story: The evidence is mostly anecdotal, but many developers fear that violent crime is on the increase in their centers, and they're searching for ways to fight it. . . 27

Should shopping center managers arm their security guards? 29

Value Retail: East vs. west vs. north vs. south doesn't seem to make much difference in off-price and factory outlet center tenanting. . . 30

Getting new retailers to join the value retail bandwagon is more complicated than a regular deal. 32

Recession means booming sales for value retailers, but not funds to build projects. 32

Mergers: Selling 50% of their firm to Cambridge Shopping Centres gives Donahue Schriber the money to grow. 34

Shopping Center Age News . . . 35

Development Activity 36

On the Level 37

On Center 38

RETAIL TECHNOLOGY

Radio Frequency: RF terminal applications are driving the latest technology face-lift at Value City Department Stores. 43

Open Systems: Phar-Mor is moving to open systems via a vendor not strongly reputed for openness—IBM. 44

Model Store: The Sears Advantage is a 2,500-sq.-ft. technology showcase now being displayed on the 37th floor of Sears Tower. 49

Point of Sale: Hawaii's Foodland supermarkets are reaping the benefits of highly functional PC-based point-of-sale systems. 52

RT Forum: Micromerchandising can work for big chains. 58

Managing the Inventory Pipeline Through Partnerships and Technology: A new conference jointly sponsored by Ernst & Young and Lebhar-Friedman. 45

New products 59

Technically Speaking 60

On Line 61

DEPARTMENTS

Store Design: New Woodhouse prototype unveiled on London's bustling Oxford Street. The upscale store seeks to broaden customer base. 62

Muji, a Japanese no-frills home store, brings its minimalist merchandise and design to London. . . . 63

Fixtures: A supermarket produce manager turns entrepreneur with creation of adjustable wire rack for produce cases. 68

Executive Forum: Credit information, including purchase and payment histories, can be a very effective tool for "bonding" the customer to a retailer. 76

Credit: Pier 1 Imports is showing how a company credit card can move merchandise. 77

Finance: During the 1990s retailers will try to prevent environmental problems before they occur and take advantage of environmental opportunities. 79

December sales were down, bringing yet another dismal Christmas for most retailers. 80

From the Editor's Desk 6

Updates 10

Perspectives 17

People 73

New Products 75

Advertising Index 82

FOR MOST, ANOTHER DISMAL CHRISTMAS

FOR OTHERS, THE WEAKENED ECONOMY PROVIDES A LIFT

Retail sales fell 0.4% in December, finishing off a year in which sales were flatter than they'd been in 30 years, according to the Commerce Department. Even Wal-Mart did not avoid the holiday hit—its same-store sales results, which had been in the double digits all year, increased a comparatively meager 5% during the month.

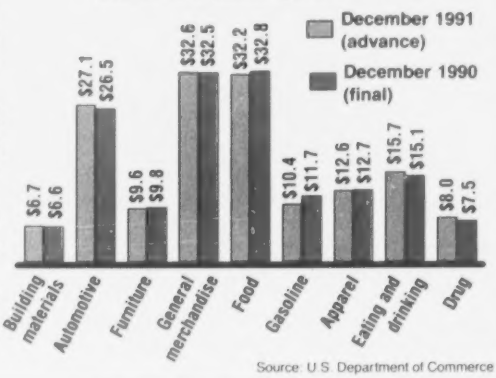
Still, the recession is proving to be a kingmaker for certain retailers whose rock-bottom prices fit neatly with consumers' tight-spending. Dollar General's same-store sales increased 20%, the best one-month increase in the company's history. Value City's same-store sales rose 9.2%.

While consumers may have scrimped on themselves, they were generous with their children, as evidenced by the 16.4% same-store increase of Toys "R" Us.

On a month-over-month seasonally adjusted basis, sales results look somewhat better. The Mitsubishi Bank retail index, which accounts for calendar quirks, shows an industry sales rise of 2% in December.

DECEMBER SALES

(Seasonally adjusted, figures in billions)



Source: U.S. Department of Commerce

CHAIN PERFORMANCE

Company	December '91 sales (000)	% change	% change comp. stores	YTD sales (000)	% change YTD	% change YTD comp. stores
Wal-Mart	$5,860,000	+26.0	+ 5.0	$40,580,000	+35.0	+10.0
Kmart	4,880,000	+10.6	+ 4.0	31,870,000	+ 7.6	+ 3.4
Sears	3,810,000	− 2.0	− 1.8	30,920,000	− 1.5	− 1.7
Penney	2,440,000	+ 1.4	+ 0.1	15,070,000	− 1.3	− 2.3
Dayton Hudson	2,450,000	+ 8.2	+ 1.5	14,720,000	+ 8.9	+ 1.7
May	1,680,000	+ 2.5	− 1.0	9,920,000	+ 5.8	− 1.0
Melville[1]	1,360,000	+ 3.9	+ 0.8	9,850,000	+13.4	+ 0.4
Walgreen[5]	838,760	+11.0	+ 7.6	6,981,114	+11.3	+ 7.5
Woolworth	826,000	+ 5.6	− 0.5	5,273,000	+ 3.1	− 1.7
The Limited	996,600	+21.0	+ 3.0	5,670,000	+17.0	+ 3.0
Mercantile	388,000	+ 4.2	+ 3.0	2,280,000	+ 2.9	+ 1.4
Circuit City[2]	469,700	+16.0	+ 2.0	N/R	N/R	N/R
The Gap	398,000	+30.0	+14.0	2,340,000	+30.0	+12.0
Rose's	197,924	N/R	− 0.5	1,352,572	N/R	− 0.5
Neiman-Marcus Group[3]	267,300	+ 0.4	− 4.0	867,500	+ 1.1	− 3.0
Venture Stores	254,900	+ 9.3	+ 3.7	1,417,500	+ 6.8	+ 3.1
Edison Bros.	210,000	+ 2.6	N/R	1,280,000	+10.5	N/R
Jamesway	120,900	− 1.0	+ 4.0	210,700	− 2.0	− 1.0
Charming Shoppes	133,500	+13.0	+ 4.0	948,800	+15.0	+ 6.0
Ross	134,000	+17.0	+ 7.0	870,000	+16.0	+ 2.0
Value City	116,800	+15.2	+ 9.2	335,900	+17.1	+11.3
Dollar General	111,200	+25.2	+20.0	693,800	+14.7	+10.0
Best Buy[4]	187,000	+48.0	+16.0	776,000	+35.0	+11.0
Gottschalks	60,816	+ 1.6	+ 0.2	298,447	+ 9.2	+ 4.1
Claire's	47,062	− 7.0	−13.0	241,081	N/C	−11.0

[1]fiscal year ends Dec. 31 [2]fiscal year ends Feb. 28 [3]fiscal year ends July 31 [4]fiscal year ends Mar. 31 [5]fiscal year ends Aug. 31 N/R = not reported N/C = no change

Source: Company reports

Chain Store Age Executive (USPS 054-410; ISSN 0193-1199), is published monthly by Lebhar-Friedman Inc., 425 Park Ave., New York, NY 10022, on a controlled basis to qualified retailers, real estate and shopping center developers and operators, architects and design firms, and at $79 a year; outside U.S.A.: Canada $79 (U.S. $) a year; elsewhere $125 a year, air-mail only. Single copy price: $5. Second class postage paid at New York, NY, and additional mailing offices. Vol. 68, No. 2 Copyright © 1992 by Lebhar-Friedman Inc. All rights reserved.
POSTMASTER: Please send address changes to Chain Store Age Executive, Subscription Department, P.O. Box 31185, Tampa, Fla. 33631-3185.